# July 24, 1998

Mr. Seyed Sadredin
Director of Permit Services
San Joaquin Valley Unified
Air Pollution Control District
1999 Tuolumne Street, Suite 200
Fresno, CA 93721

Re: Thirteen Proposed Title V Operating Permits - Batch 5 (received on June 10, 1998)

Dear Mr. Sadredin:

Thank you for the opportunity to review the District's proposed Title V operating permits that you submitted in June. We are commenting on the following ten of these proposed permits:

Chevron USA Inc, facility S-2199 (Project #961030)
Dairyman's Cooperative Creamery Association, facility S-525 (Project #960997)
Guardian Industries, facility C-598 (Project #960662)
JP Oil, facility C-303 (Project #970298); facility C-273 (Project #970296)
Occidental 35R Gas Plant, facility S-2234 (Project #970332)
Santa Fe Pacific Pipeline, facility C-1077 (Project #970197)
Spreckels Sugar Company, facility C-1179 (Project #960764)
Arco Western Energy (presently Western Midway), facility S-1133 (Project #970053); facility S-40 and Project #961095

We are not providing comments on District's two additional proposed Title V permits, Texaco Exploration and Production Projects #960966 and #961014, which the District has withdrawn to address a recent merger. However, we would like to work with your staff and share our concerns before the District submits new proposed permits for these facilities. In addition, we did not review the proposed permit for Tri-Valley Growers, Project #960579 due to resource constraints.

First, I would like to thank you for your July 23, 1998 letter listing the District's planned action to address our concerns about the above proposed permits. As you know, during the past two weeks our staff had numerous conference calls with your staff to

discuss EPA's potential objection issues and other comments. We appreciate the efforts of District staff to negotiate an agreement on the changes necessary to address EPA's concerns. We are pleased that these commitments, as clarified in today's conference call with your staff, will most likely resolve all potential objection issues for four of the proposed permits. For the six proposed permits listed below, we believe that although your letter addresses a large part of our concerns in principle, it does not commit to all changes necessary for satisfactory resolution of the issues. As we understand it, this is partly due to a lack of time needed for additional consultation with your staff and sources. Therefore, EPA with the District staff's agreement is objecting to the following proposed permits:

Chevron USA Inc, JP Oil, facilities C-303 and C-273, Occidental 35R Gas Plant, facility S-2234, Arco Western Energy facilities S-1133 and S-40

We are enclosing a detailed description of our objections and suggested changes for these proposed permits. We appreciate the District's willingness to tentatively agree with suggested changes for JP Oil and Chevron's proposed permits. While the District did not have sufficient time to formally commit to these changes before EPA's review deadline, this tentative agreement will facilitate the issuance of the final permits. Because the objection issues must be fully corrected, we recommend that the District provide us with revised permits well in advance of the expiration of the 90-day period so that any outstanding issues can be resolved. We would like to work with the District to continue reducing the need for EPA objections in the future.

We are formally objecting to these permits, pursuant to EPA's authority under Section 505 of the Clean Air Act (CAA), Part 70.8 of Volume 40 of Code of Federal Regulations (40 CFR 70.8), and District Rule 2520 Section 11.7.1. The District has 90 days to address EPA's objection issues. If the 90-day period expires without the objection being fully satisfied, section 505(c) of the Clean Air Act and 40 CFR §70.8(c)(4) require EPA to issue or deny the permit.

We suggest that in the future the District provide us with draft permits, as you did with permit templates, for selected types of permits that are likely to involve potential EPA objection issues. We believe that this approach may be especially helpful for your new permitting staff.

We would also like to call your attention to post-review problems we would like to avoid for this latest batch of proposed permits. First, we recommend that the District staff work closely with EPA staff to ensure that all changes required by EPA objections and EPA-District agreements are implemented in revised permits. Second, we are concerned that changes made after the EPA review period may create new problems, even when EPA and the District previously agreed to a different set of permit conditions.

District rule 2520 (Section 11.1.8) and 40 CFR section 70.8 prohibit the District from making changes to the proposed Title V permit that are not based on EPA comments unless these new changes are submitted to EPA for a 45-day review period of the new changes. Providing EPA with an opportunity to review your draft permit revisions, as has sometimes occurred in the past, is necessary to avoid both of these problems for this and future batches of Title V permits.

I would like to thank you and your staff for all your help in providing information and in discussing these issues with us. We look forward to working with your new staff, and invite them to contact our staff if we can assist them with their transition to the Title V permit program. If you have any questions concerning our comments, please contact Matt Haber at (415) 744-1254.

Sincerely,

David P. Howekamp Director, Air Division

# **Enclosures**

cc: Martin Keast, SJVUAPCD
Rick McVaigh, SJVUAPCD
Ray Menebroker, ARB
John F. Cooney, Chevron USA
Ron Hunter, Arco Western Energy
Betty B. Coppersmith, Arco Western Energy
Connie C. Moore, Santa Fe Pipeline
Dennis J. Champion, Occidental of Elk Hills Inc.
David, Willett, Dairyman's Cooperative Creamery Association
Donald Gorsek, Spreckels Sugar
Lyle P. Zeringue, JP Oil
Phillip Newell, Guardian Industries

#### **Enclosure 1**

#### **OBJECTION ISSUES**

Six Proposed permits: Arco Western Energy (2), Occidental, JP Oil (2), and Chevron

# ARCO Western Energy (heavy oil source S-1131, project # 970053):

- 1) Compliance Requirements for Boilers *Objection*
- a) Source Testing

The boilers/steam generator at this source, most of which are rated at 62.5 mmbtu/hr, are not required to show compliance with the emission rates (such as lb/mmbtu) in their permits. AP-42 contains emission estimates higher than the NOx emission limits for these sources¹. This data does not necessarily mean that these units exceed their emission limits, but it does demonstrate that stack testing must be conducted for each unit. We understand that these units must comply with District rule 4305 by no later than May, 2001. We recommend requiring stack testing for each unit before May, 2001. The permit should require that after May, 2001 the source will conduct the one to three year testing required for other sources. The District should also consider adding parametric or operational monitoring, when feasible, to ensure compliance between stack tests. (When the permits are revised to include new emission controls, we will recommend adding appropriate parameter monitoring for those devices).

The District should also add a periodic monitoring evaluation and consider stack testing for the other pollutant limits (CO, VOC, PM10, SOx) as well.

#### b) Short-Term Emission Rates

As we have agreed with the District, the short-term emission limits will be changed to match the language commonly used in District permits, such as the proposed Texaco heavy oil title V permit. These ARCO permits will be rewritten to state, for example, "NOx emissions shall not exceed 0.08 lbs NOx/mmbtu" instead of stating an emission factor. In addition, we have agreed that the permits will include a three-hour averaging time consistent with other District Title V permits.

#### c) Daily Emission Limits

 $<sup>^{1}</sup>$ Based on AP-42 section 1.4, we estimate uncontrolled emissions at approximately 0.15 lbs NOx/mmbtu: 140 lb NOx/million cu ft \* 1 cu ft/ 1050 btu = 0.15 lbs NOx/mmbtu. The permits typically contain emission limits of 0.08 - 0.12 lbs NOx/mmbtu.

Many of the daily emission limits are the same as the short-term limits, in which case compliance with short-term limits will assure compliance with the daily emission limits. Some of the daily limits, however, do not match the short-term limits. For example, the 1.143 lb SOx/mmbtu limit for unit #8 is equivalent to 274 lb/day, but daily limit is 175 lbs SOx/day (which is equal to 55% utilization). This is also true for units 16, 18, 20, 21, etc. The permits must state the daily limits as enforceable limits, and clarify the compliance method for the daily limits.

In addition, the permits should identify which units are subject to the facility-wide specific limiting condition. We understand that the District has generally listed the SLC limit in the permit of each unit that should be included in the SLC. We suggest language such as the following for improved permit enforceability: "Total combined emissions from all permit units in the SLC plan, including this unit, shall not exceed any of the following emission limits: ..." We also recommend clarifying the applicability of the SLC to boiler #32. Finally, we believe that the maximum rated fuel use should be used to calculate emissions if the source cannot provide the required fuel use data, rather than using average fuel usage rates (for example, see condition 8 for boiler #15, which is generally included in all of the proposed permits).

#### d) Sulfur Limits

The proposed title V permits contain a requirement for weekly testing of fuel sulfur content, followed by semi-annual testing. This is acceptable if the source burns gas from a PUC-regulated pipeline, which we understand is common, because emissions should be well below the permits' fuel sulfur limits.

However, more frequent monitoring must be required for any unit that fires significant amounts of vapor control gas. While some permits have very high sulfur limits, the others (units 1-4, 9, 15, 16, 18, 20, 21) have much lower limits that the source is much more likely to exceed when firing vapor control gas. The title V application review was generally thorough in regard to District regulations, but did not address compliance with existing permit conditions such as these.

We recommend including permit conditions requiring at least quarterly sampling, based on ARCO Western Energy S-40 units 6 through 11, if the source is not burning gas from a PUC-regulated pipeline. We believe that quarterly frequency is appropriate when testing shows that vapor control gas sulfur content is less than 80% of the applicable limit for a particular unit without treatment. If the vapor control gas sulfur content is greater than 80% of the applicable limit, we recommend a minimum of monthly fuel sampling. If the gas must be treated onsite to meet the emission limits, then more frequent periodic monitoring of either the treatment unit or the gas must be required. We also recommend clarifying what constitutes a particular source of fuels based (such as by lease or other

grouping). Please note that the need for more frequent monitoring of gas that must be treated to meet permit limits also applies to the gas turbines, which have strict NSR fuel sulfur limits and are subject to a daily NSPS fuel sampling requirement.

We also suggest revising the 3.3% sulfur limit for gaseous fuels in condition 27 in the permits to be consistent with the individual permit sulfur limits.

#### e) District Rule 1100

The sections of District rule 1100 that assure compliance with the underlying SIP requirements are included in the facility-wide conditions. Conditions 6 and 8 for the proposed boiler permits carry over a District operating permit reference to all of District rule 1100 that is now redundant. This cross-reference includes variance provisions (section 5 of rule 1100) that would relax the SIP-approved rules and may not be included in the permit. Therefore, the District must delete the references to District rule 1100 in conditions 6 and 8 of the boiler permits.

# 2) Facility-Wide Conditions - Objection

The District must address rule 4403, which was addressed in several other proposed title V permits. We understand from District staff that the vapor control systems at heavy oil sources are potentially subject, but may be exempt due to a VOC content less than the 10% applicability threshold in section 4.1.6. If the District expects that the unit will qualify for the exemption, we believe that some VOC sampling is necessary to show compliance. This sampling could be conducted in conjunction with vapor control gas analysis needed to show compliance with the boiler sulfur limits for efficiency.

# 3) Gas Turbines - Objection

# a) District Rule 1100

As noted above in section 1(e), the references to District rule 1100 must be removed from these permits (for example proposed conditions 24 and 26 for unit 23). As we have agreed, the exemptions from the applicable NSPS water injection requirements (for instance condition 31 for unit 25) must also be removed.

# b) Compliance Requirements

Please see our comment above regarding daily emission limits for boilers. As we have agreed, the annual frequency of the source testing conditions (for NOx, CO, PM10, VOC, and sulfate) will be clarified as suggested by EPA. We also suggest adjusting the reporting requirement to the streamlined limit of 0.017% sulfur content rather than 0.8%

# 4) Tanks - Comment

The proposed permits contain annual vapor pressure sampling. We believe that this level is appropriate if the tanks can only process materials, such as heavy crude oil, that are likely to be below this limit. However, the proposed permits do not contain a limit on the type of materials processed. If tanks are physically limited to storing materials such as heavy crudes that are likely to have a vapor pressure less than 1.5 psia, this condition is acceptable. Otherwise, more frequent sampling or an enforceable restriction on the materials stored is necessary. We also recommend clarifying what constitutes a "similar source" of petroleum, and when a change in the source of petroleum would trigger additional testing.

# 5) Wells Vents - Objection

## a) Exemptions

These proposed permits contains an exemption from the 99% control requirements in District rule 4401 and do not contain the existing permit requirement that the 99% control requirements apply at all times. District rule 4401 allows this exemption, but the stricter existing permits for these sources do not and must be included in the final title V permits for this source. The District has presumed that the conditions in the existing District permits are NSR requirements, as allowed by White Paper 1. We recommend either 1) deleting the exemptions from the 99% control requirement in conditions 2 and 7 and adding the appropriate NSR citations in condition 6 for each permit, or 2) adding a new condition stating that the source must comply with the 99% control requirements and that this requirement overrides conditions 2 and 7.

We are pleased that the District has implemented an NSR permitting policy that will avoid this confusion in the future. For instance, past NSR permits (such as #1133-29-6 for this source) do not state that BACT (i.e. 99% control) and offsets are required by your NSR rule. Your recent 1998 NSR permits for another Arco source (#S-1135-18-12 and #S-1135-128-16) avoid this confusion by including a clear reference to your NSR rule.

The District has suggested that the Cork and Frank Leases, which have production equipment, do not have any well permits because those leases may contain wells that are listed under District rule 2020 and are considered insignificant activities. We have reviewed rule 2020 in response to your suggestion, and we did not locate a specific category in the rule or Attachment B of the proposed permit that includes for wells. We did locate a general category for low-emitters under section 4.2.1 that could include these units. We suggest clarifying whether these leases contain active wells and whether they would be considered insignificant activities.

B) Compliance Demonstrations and Periodic Monitoring for VOC Restrictions

The well vent templates do not address compliance with the 99% reduction requirements for the vapor collection and control system, which must be addressed outside the permit template (see Applicable Requirements table on p. 2 of the template evaluation). We recommend addressing compliance with this requirement for the collection system and the control device in the final title V permit and application review, including whether any additional monitoring is necessary for the open vents, storage tanks, gas/liquid separators, and incineration devices.

# ARCO Western Energy (light oil production and natural gas processing source S-40 and Project #961095)

1. Permit for IC Engines S-40-6-2, S-40-7-2, S-40-8-2, S-40-9-2, S-40-10-2 and S-40-11-2: *Objection* 

# Lack of federally enforceable emissions limit and Periodic Monitoring

These engines are rated at 370 to 400 BHP. There are no federally enforceable limits for NOx and CO emission. Based on July 22 and 24 calls, the District will address this issue. Please see our comments on for the Occidental proposed permit for the basis of the appropriate monitoring for any federally enforceable requirements.

Conditions 2 and 3, NOx and CO emission limits are District enforceable only. Since in the near future Rule 4701 will be a SIP rule (see Enclosure C), we recommend that these conditions be made federally enforceable to avoid permit modifications.

2. Permits for IC Engines S-40-15-1, S-40-16-1, S-40-17-1 and S-40-18: Objection

Conditions 4-6 for Rule 4701 are District enforceable only. We suggest making these conditions federally enforceable to avoid permit revisions later.

# **Lack of Periodic Monitoring**

Conditions 8-12 provide federally enforceable emission limits for PM10, NOx, SOx, CO and VOC. However, there is no associated testing or monitoring to demonstrate compliance for these 2000 BHP engines. Monitoring is needed to make these conditions practically enforceable. Based on July 22 and 24 calls, the District will address this issue.

Please see our comments on this type of engines for the Occidental proposed permit for the appropriate monitoring for these units.

3. Permits for Fixed Roof Storage Tanks S-40-22-1, S-40-23-2, S-40-24-2, S-40-25-2, S-40-40-26-2, S-40-27-2, S-40-28-2, S-40-29-2, and S-40-30-2: *Comment* 

# **Lack of Periodic Monitoring**

The engineering evaluation does not provide basis or sample calculation for the VOC control efficiency of 95%. From conditions 15-17, it is not clear how compliance will be determined. The permit must include sufficient monitoring to ensure compliance.

#### 4. Permit S-40-1-4 for Gas Plant: Comment

This permit limits the total fugitive VOC emissions on daily basis. However, the engineering evaluation does not explain or provide a sample calculation on how compliance with 133 lb/day VOC will be monitored. The evaluation must include the table referenced for VOC calculation.

Please provide a basis for how compliance with conditions 11-12 will be verified.

The last 40 CFR 60 citation in condition 43 must be corrected to cite 40 CFR 60 635(b)(2)(I).

The engineering evaluation does not provide the basis for non-applicability of 40 CFR 60 Subpart LLL and 40 CFR 61 Subpart J. Please provide the justification for shield provided in condition 58.

#### 5. Permit S-40-3-3 for Gas Plant Flare: *Objection*

As noted in our comments on the proposed permit for Occidental, additional monitoring must be required for visible emissions for flares.

The emission limits of 0.00 lb/hour for PM10, SO2, VOC and CO in condition 6 are not reasonable. If the District policy assumes zero emission for emissions less than 0.5 lb/hr, we suggest including the emission rate at "less than 0.5 lb/hr" rather than zero.

Condition 6 must be supplemented to include monitoring for compliance with the NOx limit. Please provide a basis for how compliance with the emission limit will be verified.

The engineering evaluation must state why 40 CFR 61 and 40 CFR 60 Subpart LLL requirements do not apply.

# 6. Permit S-4-30-2 for Tank Vapor Control System: Comment

# Enforceability of permit conditions

There is no requirement to verify the 95% control efficiency required for VOC control (see example condition #16 S-40-22-1). Since the VOC emissions from this tank will be controlled by the unit S-40-23 control system, it is not clear how the control efficiency will be determined.

## Chevron USA (Facility #S-2199, Project #961030) - Objection

# Facility-Wide Permit, S-2199-0-1

1. The permit appears to be missing District Rule 4403, 5.3.1, which requires that "[a]ny component leak shall be repaired to a leak-free condition or vented to a flare satisfying the requirements of 40 CFR 60.18 or to a vapor control device that is at least 95 percent efficient as measured by EPA Method 25 within fifteen (15) calendar days of detection." In the July 24 call, the District staff reaffirmed that this requirement would be added as a federally enforceable condition in the Title V permit. Therefore, we would consider this issue to be resolved if the final permit reflects the District's commitment.

# Lack of Periodic Monitoring for Grain-Loading Limit (All 19 Permit Units)

1. These permits for natural gas-fired IC engines of various sizes do not provide for any periodic monitoring to assure compliance with the grain loading limit of 0.1 gr/dscf. The engineering analysis states that source testing results indicate that PM emissions for these engines may be as high as 0.092 gr/dscf. Because of this small margin of safety, the analysis states that periodic source testing is required for all natural-gas fired engines other than emergency/backup engines operating less than 200 hours/year. In light of this, the District must add monitoring sufficient to assure compliance with the limit. As the permit does not address an applicable requirement of Part 70, i.e., periodic monitoring, we must treat this is as an objection issue. EPA will work with the District to reach a mutually acceptable source testing regime that would ensure compliance with the limit. Alternatively, the District could submit documentation to show that the high source test readings are just an aberration and that PM emissions from these engines can safely be assumed to be in continuous compliance with the limit.

#### Federal Enforceability of Emission Limits

1. Permit S-2199-1-4 for a 660 HP natural gas-fired IC engine lists NOx and CO emission limits as a District Rule 4701 (IC Engine Rule) requirement only. However, the associated ATC (S-2199-1-3) for the unit does not identify the requirement as such. Consequently, the District needs to clarify whether these limits were added to the ATC to comply with a NSR requirement. If this is the case, then the limits must be made federally enforceable in the Title V permit. In the absence of any evidence to indicate otherwise, we generally regard all terms

and conditions in an ATC to be federally enforceable. Thus, this is a potential objection issue, which will be resolved in the final permit if the District can verify that the limits were based only on a District Rule requirement. This comment also applies to permits S-2199-5-2, S-2199-6-2, and S-2199-27-2.

2. Permits S-2199-15-2 and S-2199-18-3 for 1,232 BHP natural gas-fired IC engines lists PM10, SOx, NOx, VOC, and CO emission limits as a District Rule 4701 (IC Engine Rule) requirement only. However, the associated ATCs (2041083A and 2041083B respectively) clearly show that these limits are based on Kern County's SIP-approved NSR Rule 210.1. Therefore, these limits must be made federally enforceable in the Title V permits.

In a related matter, we do not believe that the proposed biennial testing for NOx and CO would be sufficient for these engines to ensure compliance with the limits. We believe that the permit must include annual stack testing (the PTO for a similar-size IC engine at the PG&E facility requires stack testing every 8760 hours of operation). In addition, annual stack testing must be supplemented by periodic monitoring in the interim to ensure continuous compliance. One option is the use of a portable analyser with quality assurance requirements, such as calibration with certified gases on each day of use. The source could also verify that any engine retard setting is correct and that the pre-stratified charge combustion modification is operated properly. We believe that monthly monitoring should generally be required for engines rated between 1,000 to 4,000 HP. For this particular unit, a monitoring regime similar to one provided in the PTO for the PG&E IC engine, i.e., portable analyser monitoring, could be used as an alternative.

Additionally, the unit for the PM10 emission limit in Condition 10 of permit S-2199-15-2 and Condition 12 of permit S-2199-18-3 should be added as lb/hr. There is no compliance testing and/or periodic monitoring to assure compliance with this limit. If this limit is subsumed by the grain loading limit in Condition 2 of both permits (or vice versa), so that periodic source testing for one limit is sufficient to assure compliance with both limits, then the District must provide a demonstration in the engineering analysis to substantiate such an assumption. If such an assumption cannot be made, separate source testing must be provided to monitor for compliance with both limits.

The issues discussed above are objection issues, which will be resolved if they are addressed to our satisfaction in the final permits.

#### Missing Emission Limits

1. Permit S-2199-4-1 for a 300 BHP natural gas-fired IC engine has a condition requiring compliance testing for CO and NOx emission limits, according to District Rules 2520 and 4701. The condition is designated as federally enforceable

through the Title V permit. However, these emissions limits (shown in the associated ATC) are missing from and must be added to the Title V permit. As the monitoring condition is federally enforceable, logically the condition stating the NOx and CO limits should also be federally enforceable. Although Rule 4701 has not been SIP-approved, it will be by the end of 1998. In order to avoid reopening the permit to address the new requirement, we recommend that the District make all conditions based on Rule 4701 federally enforceable. This comment also applies to permits S-2199-3-2, S-2199-16-1, S-2199-17-1, S-2199-26-1, S-2199-28-1, S-2199-29-1, S-2199-31-1, and S-2199-34-1.

# **JP Oil - (Facility # C-273, Project #970296) -** *Objection*

## Lack of Periodic Monitoring

- 1. Permits C-273-2-2, C-273-3-2, C-273-5-2, C-273-6-2, and C-273-13-1 for 300 HP natural gas-fired internal combustion (IC) engines contain a federally enforceable daily NOx emission limit, yet no periodic monitoring to assure compliance with this limit was provided in these permits. In our conference call with San Joaquin on July 15, 1998, the District staff stated that JP Oil has agreed to biennial testing (once every 24 months) as a requirement. This was in response to our objection on a similar issue to another JP Oil facility permit in batch #4. This would be an acceptable frequency of monitoring, due to the small size of the engines. In a letter to EPA on July 23, 1998 and a follow-up call on July 24, 1998, the District staff clarified that the District would discuss the testing requirement with JP Oil, and that no objection to the proposed requirement was expected by the District. Because of the uncertainty in whether the issue will be resolved to our satisfaction as required by Part 70, we must necessarily treat it (with the District staff's agreement) as an objection issue. However, we are confident that the once the District has had a chance to contact the source, the final permit will reflect the added testing requirement.
- 2. Permit C-273-7-5 for a 300 HP natural gas-fired IC engine shows emission limits for CO, NOx, and VOC, in terms of gm/bhp-hr. However, the permit does not have any periodic monitoring to assure compliance with these limits. In the July 15 call, the District stated that JP Oil has agreed to add biennial testing. Because of the uncertainty in the District's resolution of the issue (please see comment above), we must necessarily treat it as an objection issue, which will be resolved if the final permit reflects the biennial testing requirement. Please note that the 1.5 gm/bhp-hr limit should correctly be for NOx emissions, not CO.

# JP Oil - (Facility #C-303, Project #970298) - Objection

1. Permits C-303-1-2, C-303-2-2, C-303-4-2, C-303-5-2, and C-303-6-2 for 300 HP natural gas-fired internal combustion (IC) engines contain federally enforceable

daily emission limits for NOx, CO, and VOC, with no periodic monitoring to assure compliance with the limits. Similar to the project above, JP Oil, according to the District, has agreed to add biennial testing to address EPA's concern. However, because of the uncertainty in the District's commitment to correct the problem (please see comments above), we must necessarily treat this as an objection issue, which will be resolved if the final permit reflects the added testing requirement.

# **Occidental (S-2234, project 970332):**

- 1) Boilers & Heaters (including units #1, #3, #19, #32, #33) *Objection* 
  - a) Periodic Monitoring

The District must add periodic monitoring to ensure compliance with the permit limits for NOx. The permits currently do not contain any compliance requirements, and must include appropriate NOx source testing. For units that will be subject to District rule 2201, we recommend requiring one test before the compliance date, and then testing at the same frequency as other similar sources after that date (i.e. annually or every three years, depending on their compliance status). For the process heaters at unit #1, we believe that source testing must also be required during each permit term, and that the frequency should depend on the margin of compliance. The frequency of stack testing for #1, #3, and #19 could also be reduced if these permits are amended to include enforceable restrictions to limit those units to back-up operation. (We understand that this is how they are currently operated.) As noted under our comments on gas plants and separation plants, monitoring for other pollutants should also be addressed.

In addition, the permits contain stricter fuel sulfur requirements than the general permit templates, which only address the less strict generally-applicable limits. Therefore, more frequent monitoring than the semi-annual testing (after passing weekly tests) must be required if the source is not firing PUC-quality natural gas from a PUC-regulated pipeline. As noted under our comments on Arco Western Energy, gas that must be treated to meet the emission limits must be subject to more frequent monitoring of either the gas treatment process or the treated gas itself. If the gas must be treated, we would recommend daily monitoring at least initially.

b) General Comments on permits #1, #3, and #19

The descriptions for these permits listed heaters and boilers, but the permit evaluation and permit conditions do not appear to address the applicable requirements for these sources except for the emission caps. We recommend

including all applicable requirements for these processes, including these combustion sources, in the engineering evaluation and final permits.

# 2) Crude Oil Loading Rack - Objection

Condition #11 permit S-2234-2-5 does not have associated monitoring to ensure compliance. Further, it is not clear how it can be enforced for all of the activities described in this permit. The emission limits must be practically enforceable.

# 3) Facility-Wide Conditions for Rule 4403 compliance - Objection

The unit-specific permits do not consistently address District rule 4403. Many units (for example, unit 64) contain a single condition cross-referencing the rule without listing specific obligations, while others do not address District rule 4403. The final permit conditions must clearly spell out the requirements that apply to this source. We recommend including the rule 4403 requirements in the facility-wide requirements, with either the facility wide conditions or the unit-specific permits specifying which particular requirements apply. For instance, sections 1 through 3, sections 5.2 and 5.3, and section 6 may apply to the entire facility, or to particular types of equipment within the facility.

# 4) Flares - Objection

#### a) General Comments

Efficient combustion at the flare depends on the proper operation of the pilot system. Therefore, we recommend requiring a continuous flame (which was included in the flare template SJV-FL-1) to ensure compliance with the limits that are specific to the flares, as well as the units that are controlled by the flares.

The proposed permit identifies four separate flares at the facility: #7, #8, #13, and #14. The permits for the gas plants and the loading racks also reference flares, but do not identify whether they are the flares identified above or additional flares. Our PSD permit file lists 5 flares, but is not up to date. Therefore, we request that the District identify any flares, in addition to the 4 listed above, in the application review and ensure that all applicable requirements (including periodic monitoring) are addressed for any flares that are in addition to the four specifically mentioned in the unit-specific proposed permits.

# b) Periodic Monitoring for Visible Emissions

Periodic monitoring for visible emissions must be required for the flares, which the District agreed to during the development on the flare template (SJV-FL-1). While flares generally do not operate constantly, visible emissions are much more

likely from flares than controlled combustion sources (boilers, turbines, etc) burning natural gas. For instance, our PSD files indicate past problems with smoking flares at this facility. (These historical records indicate the potential for excess opacity from flares, but do not indicate that any current compliance problems at this facility exist.) Preventing non-compliance with visible emissions standards will also protect public health by reducing other pollutants such as particular and VOC emissions.

Therefore, the permit must require monitoring of visible emissions at each flare at least once every two weeks if the flare is operated during that time. We suggest more frequent monitoring for the larger flares, and for any flares where visible emissions are common, or where process upsets occur on a routine basis. If the flare is well operated and does not have any visible emissions, a method 22 reading is acceptable. If the flare is smoking, a method 9 reading must be performed and should be followed by corrective action to correct any violation.

# c) Periodic Monitoring for Particulate

The permit does not identify whether this flare is open or enclosed. EPA has determined that PM testing is impractical for open flares. If these flares are enclosed and either 1) the flare(s) smoke; or 2) process upsets occur regularly, we recommend source testing for compliance with PM limits.

#### 5) Gas Plant Emissions - *Objection*

The plant has emission limits for PM, SOx, NOx, VOC and CO (see condition #8 of S-2234-19-2). However, it is not clear how these limits are associated with the various equipment included in the permit. Furthermore, there are no monitoring and testing requirements. Testing for these emissions must be included to make the emission limits practically enforceable. In addition, please see our specific comments on heaters and boilers.

Sampling and testing requirements must be associated with specified conditions. For example condition #28 must cross reference other conditions relevant to this requirement.

Since use of  $Cr^{+6}$  in cooling water is prohibited under Rule 1702, the requirement in condition 35 can be enhanced by adding a statement that use of  $Cr^{+6}$  is prohibited.

# 6) Gas-Fired Turbines (units #52 and #53) - Objection

#### a) Use of CEM data

As EPA and the District have agreed for past gas turbine permits, CEM data will be enforceable at all times.

# b) Acid Rain Requirements

We recommend ensuring that the 24.5 MW limit is federally enforceable for compliance with acid rain requirements (including the acid rain permit shield in condition 53) or removing the shield.

# c) PM-10 Compliance

As noted in our previous comments, we recommend addressing PM-10 compliance requirements for the turbines. For instance, periodic stack testing would be required if prior stack testing indicates that these units are close to the permit limit.

# d) PSD Requirements

We recognize that EPA's PSD program has not been delegated to the District, and would like to work with the District to ensure that review of PSD requirements is coordinated with your title V permitting process. We believe that the permit should address any potentially applicable PSD requirements for units, such as the two gas turbines that were apparently constructed after EPA's PSD permit for the facility (and appear to have a potential to emit greater than 40 tons per year of NOx). We recognize that EPA's White Paper states that permit applicants are not federally required to reconsider previous applicability determinations. According to our files, however, this source never requested a PSD permit or applicability determination for these units. In addition, EPA's White Paper only addresses title V permit application and does not authorize the exclusion of any applicable requirements from title V permits.

# e) Sulfur Testing

Please see comment 1(e) above.

# 7) Gasoline Storage Tank - Permit S-2234-5-1

The leak requirements in S-2234-5-1 conditions #2 and #28 must be corrected or clarified to eliminate inconsistencies between 20,000 ppm and 10,000 ppm reading. We believe than the limit of 10,000 ppm is appropriate for this unit.

# 8) Internal Combustion Engines - Objection

# a) Federal Enforceability of Applicable Requirements

The proposed title V permit and evaluation incorrectly identify the internal combustion engines at the source as portable engines. As demonstrated by the PSD permits that cover most of these units, they are, in fact, part of stationary processes at various locations at the reserve and subject to all applicable requirements under the Clean Air Act. A few small engines at the source may qualify as non-road engines, but only if the District includes appropriate permit requirements to ensure that these units meet the definition of non-road engines at 40 CFR section 89.2. Therefore, the District must address all applicable requirements, including Prevention of Significant Deterioration, District New Source Review, and all SIP requirements. The federally enforceability of NSR & other Clean Air Act requirements for IC engines and EPA policy on non-road engines in general was discussed in greater detail in our July 11, 1998 comments in Rule 2201 comments.

# b) PSD Requirements

The federally-enforceable section of the proposed title V permit and evaluation do not contain any of the PSD requirements that apply to most of the engines at this source, and all the largest engines. These limits are specified in EPA PSD permit SJV 77-42 as amended to limit the emissions of most of these engines to 2.0 g NOx/bhp. We will provide you with a copy of these PSD requirements, which were listed in section H of the source's permit application. Some of the hourly emission limits and source testing requirements are listed as non-federally enforceable conditions, while the ppm and g/bhp NOx limits are generally completely omitted. All requirements of EPA PSD permit SJV 77-42 (as amended) must be included in the final title V permit for this source. Due to the large number of PSD permits issued to oil field sources, we would like to work with the District to develop a process that ensures that District permit engineers have the appropriate PSD requirements available when drafting proposed title V permit.

# c) Periodic Monitoring for Engines

#### I) Periodic Monitoring for Gaseous Emissions

The final permits must include the annual stack testing for the engines subject to PSD or NSR emission limits as a federally-enforceable requirement, and must also require periodic monitoring between stack tests. For instance, the largest engines emit over 100 tons per year of NOx, VOC, and CO. Please note that in general the proposed permits require stack testing by referring to the permit renewal date (based on language copied from the annual district permits). Since these units now have five-year permits, EPA and the District have agreed that the stack testing conditions should be changed to require testing annually, rather than

before the permit renewal.

Periodic monitoring must be required in between the annual stack tests to ensure compliance for sources subject to NOx permit limits. For instance the engines with permit numbers in the following range are subject to hourly limits equivalent to 2 g NOx/bhp: units 9-12, 15-18, 27-31, 48, and 56-86. One option is use of a portable analyser with quality assurance requirements such as annual RATA testing and calibration with certified gases (Protocol gas) on each day of use. The source should also verify that any engine retard setting is correct and that the pre-stratified charge combustion modification is operated properly. The source should monitor catalytic control system for engines with these emission controls. This monitoring must be conducted at least monthly for all engines that are 4,000 hp or greater, with consideration given to more frequent monitoring based on the type of monitoring selected. We believe that periodic monitoring at least monthly is generally appropriate for the other engines with NOx limits (most of which are rated at 1,000 horsepower). We believe that this frequency is a minimum for engines in the 1,000 horsepower size range unless they are operated infrequently, and more frequent monitoring may be appropriate based on the size of the engine and type of monitoring selected.

In addition, some of the 1,000 horsepower engines do not contain any monitoring for the applicable VOC limits. EPA believes that periodic stack testing is necessary for these rich-burn engines with VOC emission limits. We recommend annual stack testing, which could be reduced once the source establishes compliance, for the following engines: units 29-31 and 57-59. Testing every other year, as specified in District rule 4701, may be appropriate for small IC engines. In addition, the District must add appropriate periodic monitoring for carbon monoxide at units 29-31, 57-59, and 84-86, such as testing for CO when NOx testing is conducted.

#### ii) Compliance with Opacity and Grain Loading Limits

The proposed permit and application review must be revised to address these requirements. As noted in our comments on Chevron, the application review/and or permit should address appropriate periodic monitoring for these requirements. In particular, the demonstration should also address the increased particulate emissions that will result from burning high sulfur fuels.

The final permit and application review should also consider periodic monitoring for the 5% opacity limits contained in certain permits (such as condition 2 for units #80 and #81). While past permits have not required

visible emissions observations, these evaluations were based on a higher 20% SIP opacity limit. We believe that periodic method 22 observations are appropriate, followed by a method 9 observation and, if necessary corrective action.

#### iii) Compliance for Sulfur Limits

Units rated at 650 bhp and units rated at 880 hp or greater generally contain permit conditions requiring low-sulfur fuel either directly or through SO2 emission rates. Most of these permits do not contain any compliance requirements for these limits, such as the use of PUC-regulated gas or fuel sampling, and must be revised to include more frequent testing. The District must include compliance requirements for each unit subject to a sulfur emission limit, as the requirement to burn PUC-regulated gas listed in condition 1 for proposed permits for units #80 and #81. The District has proposed weekly testing initially followed by quarterly testing for other title V permits. We recommend requiring this testing schedule if gas from a PUC-regulated pipeline is burned, but as noted above more frequent monitoring must be required if the source is burning treated oil-field gas.

# 9) Separation Plant - Objection

Permit S-2234-3-2 condition #7 provides federally enforceable emission limits for NOx, SOx, VOC, CO, PM. However, it is not clear how these limits apply to various equipment included in the permit. Further there are no monitoring and testing requirements. Testing for these emissions must be included to make the emission limits practically enforceable. In addition, please see our comments on heaters and boilers.

#### **Enclosure 2**

#### POTENTIAL OBJECTION ISSUES

Four Proposed permits:
Dairyman's Cooperative Creamery Association, Guardian Industries,
Spreckels Sugar, Santa Fe Pacific Pipeline

# DAIRYMAN'S COOPERATIVE CREAMERY ASSOCIATION (S-525, PROJECT 960997)

1) Compliance Requirements for NOx Limits for Boilers #1, #2, and #35 and Process Heaters

EPA agrees with the requirement that the source use flue gas recirculation to reduce NOx emission rates from these three boilers. We recommend several changes to improve the enforceability of these requirements. First, we recommend specifying a procedure for measuring the FGR rate based on existing District procedures. Second, we recommend requiring daily calibration (see PG&E project #960822) and requiring the use of Protocol 1 gas to ensure proper calibration. Third, we recommend making federally-enforceable the requirement that the source perform a stack test if the analyser indicates a violation. Finally, we recommend either 1) specifying an appropriate FGR rate in the permit for unit #35 or 2) requiring that the source use the same FGR rate during the compliance testing and monitoring at other times. We also recommend specifying proper operation and maintenance requirements for the process heaters with unit-specific NOx requirements.

#### 2) Periodic Monitoring for Baghouses

EPA agrees that the source can show compliance with generic SIP grain loading limits through the use of a properly operated baghouse. We recommend requiring daily checks for visible emissions, which trigger corrective action. We also suggest at least monthly inspections of the bags for damage.

We also recommend adding a periodic monitoring demonstration for the smaller units. Units #30 and #35 are required to conduct PM stack testing. The permits should address whether similar testing is necessary for any of the small units.

#### **GUARDIAN GLASS (C-598, PROJECT #960662):**

1) PSD Conditions for Glass Furnace (unit #4) (Potential Objections)

The Title V permit contains many, but not all, of the PSD permit conditions for

this source. These conditions must be added to the final title V permit. First, the PSD permit (Attachment D to the proposed permit) requires testing at maximum capacity unless EPA approves an alternate testing rate (PSD permit condition VIII.C.1), while condition 5 of permit C-598-4-3 allows any testing rate greater than 360 tons per day. We recommend either 1) including the PSD condition verbatim, or 2) discussing alternative production rates (such as 500 tons per day) with EPA and, after obtaining the required EPA concurrence, including these preapproved alternative rates in the permit. Second, the PSD permit contains maximum saltcake (NaSO4) limits of 15 pounds per 1000 pounds of sand and associated recordkeeping (PSD VIII.E.). Finally, the permit contains a 22 lbs/hr total PM limit from a PSD permit condition, but not the associated 7.2 lbs/hr limit that also appears to apply to the facility.

# 2) Periodic Monitoring for Fuel Sulfur Limits (unit #4)

This source is permitted to burn various grades of oil, such as fuel oil #6, which may have emissions significantly greater than their permit limit of 0.6%. The fuel limit is in addition to the lbs/hour SO2 limit, which contains adequate periodic monitoring. The hourly limit, however, does not assure compliance with the fuel limit. We understand that Guardian is currently burning 0.2% sulfur fuel. Therefore, we believe that certification of the sulfur content of each batch of fuel delivered to the source would be adequate to show the Guardian is meeting their 0.6% limit. This certification may be conducted by either the source or the supplier if an approved fuel sampling method is used.

#### 3) Furnace Particulate Limit Compliance Requirements (unit #4)

The equipment description for the furnace lists the furnace ESP, but the proposed permit does not require that the source duct all furnace emissions to the ESP. We are aware of other furnaces that are equipped with bypass valves that could cause emission violations. To ensure compliance with the permit's particulate limits, we recommend requiring that all emissions from the furnace must be ducted to the ESP. If ESP maintenance is required during the furnace campaign, EPA policy is to evaluate these situations on a case-by-case basis.

We understand that the electric annealing lehr is a separate unit that is not ducted to the ESP. Since it appears that this unit is not controlled by the ESP, the permit evaluation should directly evaluate the emissions from this unit (and any other equipment on the manufacturing line other than these two units that is a potential source of particulate emissions).

The permit evaluation shows, based on stack tests, that emissions from the ESP are expected to be less than the District rule 4201 limits. Since the source is also subject to NSR & PSD limits, the District must expand the analysis to address

compliance for these limits and require operational monitoring of the ESP to ensure compliance with these limits. EPA suggested some general parameters in our February 18, 1998 letter regarding Gallo Glass<sup>2</sup>, and we understand that Guardian also has extensive experience in determining the proper site-specific operating parameters (including adding water). We recommend adding monitoring for the appropriate parameters and requiring corrective action if this monitoring indicates a potential deviation.

# 4) Particulate Requirements for Raw Materials Handling and Glass Seamer (units # 5-7)

The permit evaluation does not address compliance with the daily PM10 limits of 5 lbs/day for several units. The final permit must be revised to including a periodic monitoring demonstration for these limits. We were not able to obtain enough information to judge the likely results of this evaluation. The District may be able to show that stack testing is not necessary to assure compliance. Otherwise, some stack testing should be required at the source. We understand that several small baghouses are located at the source, and would recommend representative source testing if necessary.

We concur with visual inspections of the fabric filters at this facility. Given the low daily PM10 limits we believe that daily inspections for visible emissions are also necessary, followed by corrective action. We also suggest requiring method 9 observations in cases where on-going opacity is observed at the source.

#### 5) Compliance Requirements for CO and VOC emissions rates

We recommend performing a periodic monitoring evaluation of the CO and VOC requirements for this furnace and adding any compliance conditions necessary to assure compliance with these limits.

# 6) Rule 4354 (unit #4)

We suggest including the NOx emission limits of rule 4354 in the permit because these emission rates will be stricter than the total NOx lbs/hr limits at low production rates. While rule 4354 is not currently federally-enforceable, all federally-enforceable emission limitation must be included in the permit. Including the appropriate conditions now will avoid the need to re-open the permit when the rule becomes federally-enforceable.

<sup>&</sup>lt;sup>2</sup>monitoring the on/off status of the transformer/rectifiers ("T/R") and the T/R primary and secondary voltage and current readings

# 7) Emergency IC engines (units #1-3 and #8):

EPA suggests adding periodic monitoring for PM and opacity based on other emergency IC engines with periodic monitoring for these pollutants.

#### SPRECKELS SUGAR (C-1179; PROJECT 960764)

# 1) Periodic Monitoring for Scrubbers (units #1, #2, and #3)

We recommend adding operational/parameter monitoring for the units controlled by a scrubber. We concur that stack testing should be required, and this additional monitoring will ensure that the emission controls are well-operated between stack testing. We recommend setting the frequency of stack testing annually or every two years for unit #1 based on the District source testing policy. We also recommend adding a permit condition requiring that all emissions from unit #2 are vented to unit #1. As District staff have explained, stack testing and visible emissions monitoring at unit #2 are not necessary because this unit will not have any direct emissions. We understand that District staff will determine the proper parameters, which may include pressure drop, circulation rate, or other parameters, to ensure good operation of these systems.

We also recommend visible emission observations at least weekly. If the units are expected to operate with visible emissions on a routine basis, we recommend weekly EPA method 9 determinations. If the units are expected to operate with no visible emissions, we recommend requiring observations to determine whether visible emissions are present, followed by corrective action and/ or a method 9 test.

#### 2) Periodic Monitoring for Baghouses (units #4 and #9)

As noted in our other comments, we recommend daily observations for visible emissions, which would trigger corrective action. We also recommend a monitoring evaluation for compliance with the daily emission limit for unit #9, including stack testing if necessary. While our records do not indicate whether we specifically discussed unit #4, we believe that similar procedures would be appropriate for this unit.

#### 3) Periodic Monitoring for Fuel Oil (units #3, #6)

We recommend requiring certification of the sulfur content each fuel oil delivery. This certification may be conducted by either the source or the supplier if an approved fuel sampling method is used. This condition may be added to the facility-wide conditions or to the unit-specific permits.

## 4) Fuel Usage Limitation for Boiler #6

Condition 3 in the permit for boiler C-1179-6-4 prohibits fuel oil use from exceeding 336 hours per year, but does not list this condition as federally enforceable. This limit may be necessary to help ensure that the emission reduction credits granted to Speckles are federally enforceable. We also recommend listing this condition as federally-enforceable to limit the amount of periodic monitoring for visible emissions that is required for this source. We believe that the following three options are appropriate due to the size of the unit and the potential use of a low-quality fuel: 1) changing the fuel usage limit to federally enforceable and adding visible emissions monitoring appropriate for units firing fuel oil only as a back-up; 2) requiring daily VEs, with the option to reduce the frequency if the source consistently shows an adequate margin of compliance; or 3) requiring COMs.

# 5) Periodic Monitoring for Boiler #7

Compliance with the NSPS fuel limit is currently required at set time intervals in condition 6. We expect that fuel oil would be delivered in batches and recommend requiring certification of each fuel delivery (which would be infrequent due to permit restrictions on use of oil), rather than at set time intervals, to assure compliance with 40 CFR 60 sub-part Dc when the source fires fuel oil.

We recommend reviewing the periodic monitoring for the daily emission limits. We recommend revising the permit to add periodic testing for NOx and any other necessary pollutants. The permit should also contain a method for converting the results of the three stack test results required by District policy into a daily limit, such as the method agreed upon for the Gallo Winery title V permit. Also, Condition #17, which requires reporting for compliance with general SIP limits, should also be adjusted to reflect the lower NSPS and daily sulfur limit for the source.

# 6) Application Review

The Title V Application Review for Spreckels Sugar does not discuss the applicability of 40 CFR Part 60, Subpart Da at the facility, or District rule 4305. For instance, Boiler S-1179-6-4 is large enough to be an affected facility under this New Source Performance Standard. EPA suggests that the District expand its Application Review to address 40 CFR 60 sub-part Da.

#### 7) Typographical Changes

Condition 14 in the permit for boiler C-1179-6-4 contains a typographical error. There is no pollutant specified for the first emission limit cited in the condition. It appears that CO is the missing pollutant, and should be added. Condition 2 of permit C-1179-10-1 also contains a typographical error. The numerical limit "0.1 gr/dscf"

should appear after the word "exceed", not after "discharge."

# SANTA FE PACIFIC PIPELINE (C-1077, PROJECT NUMBER 970197)

As our staff discussed with your staff on July 23, 1998 call, this proposed permit needs to be thoroughly reviewed by the District and revised to include facility-specific conditions. It appears that many conditions included in the permit need to be revised. The District's July 24 letter did not include all of our concerns and briefly listed several issues. We believe that when the District reviews this proposed permit, it will correct and improve it in its entirety. Following are our comments on the type of issues:

# 1) Applicable to all tank permits:

Conditions must be equipment-specific. Please remove any non-relevant conditions. Example: Permit C-1077-4-1 conditions #8-10, C-1077-5-2 conditions #11-13, 17, 20-23.

Permits must include monitoring requirement to verify compliance if VOC emission limits are provided (see for example condition#6 of C-1077-5-2, condition#6 C-1077-6-2, condition#6 C-1077-8-2, condition#6 C-1077-22-2, condition#5 C-1077-41-1).

#### 2) Facility -wide- Permit C-1077-0-1:

Condition #41 must be corrected. Either delete the reference to programs 1-3, or state what they are.

# 3) Permit C-1077 for Vapor Holder Tank:

Permit C-1077-24-1 must have periodic monitoring to ensure compliance with leak-free conditions.

#### 4) Applicable to all Loading Racks

The basis for non-applicability of 40 CFR 63 Subpart R must be included in the evaluation.

#### 5) Applicable to Tank Vapor Collection Systems

Permits C-1077-34-1, C-1077-35-1, C-1077-36-1, C-1077-37-1 must include monitoring or testing requirements to verify 95% VOC control.

# 6) Missing Equipment Descriptions:

Permits C-1077-42-1, C-1077-43-1, C-1077-44-1, C-1077-45-1 must include an equipment description.

#### **Enclosure 3**

#### **GENERAL COMMENTS**

The following comments apply to all the proposed permits:

- 1. The permits do not contain averaging times for emission limits. EPA understands that the District's enforcement policy requires an average of three one-hour source tests on combustion sources for compliance purposes. However, since averaging times are important components of emission limits, EPA believes that the District should specify the averaging times in the permits. EPA has previously raised this issue in a September 19, 1997 letter to the District. (See comment 3 for Texaco.)
- 2. The District does not consistently specify flue gas recirculation (FGR) percentages in its permits for boilers with FGR. In order to ensure that the control device is operating properly, the District should specify a percentage in all permits for boilers with FGR, or require that the proper percentage be determined during the next source test, and incorporated into the permit.
- 3. There is no periodic monitoring for opacity from the boilers during times when fuel oil is burned. The boiler permits allows fuel oil to be used as a backup fuel, but without any compliance requirements for opacity. While EPA accepts an opacity monitoring regime with no specified frequency for gas-fired units, we believe the District should add provisions to the permits that require visible emissions monitoring on a regular basis, perhaps a weekly EPA Method 9, if oil is fired continuously for more than one week.
- 4. Permits that rely on the District's Internal Combustion Engine templates do not

contain NOx and CO limits from District Rule 4701. EPA expects to approve Rule 4701 into the San Joaquin Unified SIP in late 1998 or early 1999. In our September 30, 1996 comment letter to the District on its IC Engine templates, we noted that an option for the District was to include these requirements in a District-only portion of the template, with provisions that make them federally enforceable upon SIP approval. Now that it appears that SIP approval for this Rule will occur relatively soon, the District may want to consider this approach in source-specific permits in order to make reopening the permits upon SIP approval unnecessary.

- 5. All of the proposed permits have expiration dates. These dates are incorrect. The District cannot know the expiration dates when permits are proposed, since it does not know the date on which the final permits will be issued.
- 6. Conditions should cite all regulations that provide the origin and authority for the requirement. For example, in the District's facility-wide conditions, the opacity provision (#22) originates in 40 CFR 60, Subpart Dc, in addition to the cited rules. The condition should contain a citation to 40 CFR 60.43b.
- 7. For some conditions, the District's computer code precedes the condition. Please remove these codes. For example see permits: S-40-23-2, condition #1, S-40-26-2 condition #1, S-2234-19-2 conditions #10-34, C-1077-01 conditions #1-39.
- 8. Please include justification for non-applicability, especially if permit condition provides a shield from that regulation. For example, the engineering evaluation must provide the basis for non-applicability of 40 CFR 63 Subpart R for loading racks, Permit C-1077, Santa Fe Pacific Pipeline.
- 9. When an equipment is handling petroleum products, any reference to the content of this equipment must be made to those petroleum products, rather than organic liquid. For example see condition#3 permit C-1077-26-2.
- 10. Providing an emission limit for any equipment without requiring a method to ensure compliance does not provide an enforceable condition (See IC engines in Arco Western Energy, permit S-40-15-1.